Government of Saskatchewan

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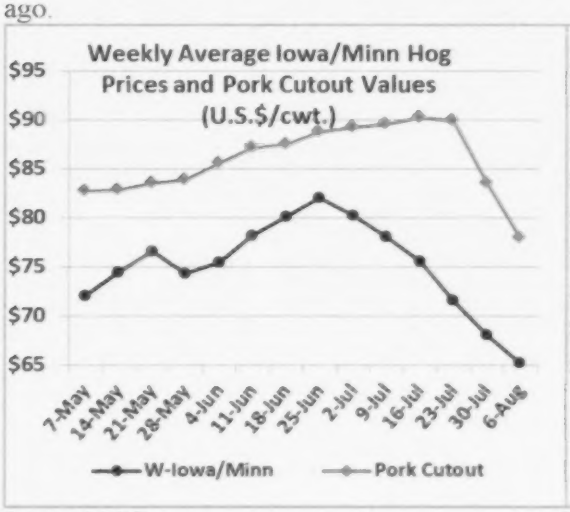
Weekly Hog Report

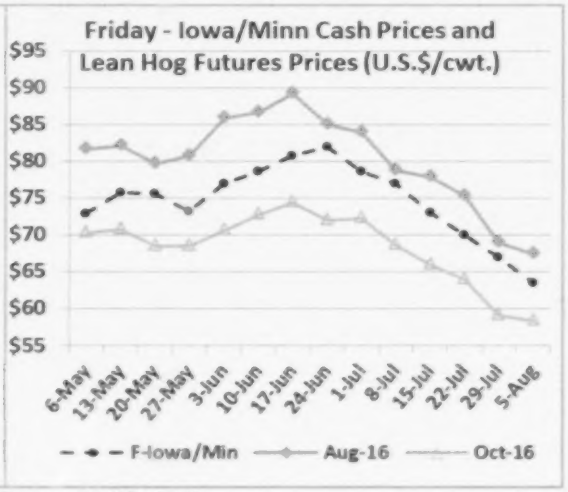
August 8, 2016

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) moved lower in July with slaughter weight cash hog prices declining just over US$15 per cwt since July 1. Hog prices on Friday August 5 averaged US$63.58 per cwt, down US$3.42 per cwt or 5.1 per cent from US$67.00 per cwt the previous Friday. The negotiated base price last week averaged US$65.29 per cwt, down US$2.84 per cwt or 4.2 per cent from US$68.13 per cwt the previous week, and down over 16 per cent from US$78.07 per cwt four weeks ago.



Source: LMIC



Source: LMIC, CME

In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday August 5, 2016 was $154.26 per ckg, down $7.84 per ckg or 4.8 per cent from $162.10 per ckg the previous Friday, and down over $30 per cwt or almost 17 per cent from $185.04 per ckg four weeks ago. Signature#3 weekly prices (Friday to Thursday) averaged $157.87 per ckg, down $8.07 per ckg or 4.9 per cent from the previous weeks' average price of $165.94 per ckg, and down over $28 per ckg or 15 per cent from the weekly average price of $186.37 per ckg four weeks ago. The Canadian dollar was lower last week closing Friday at 75.96 cents, down 0.63 cents from 76.59 cents the previous Friday.

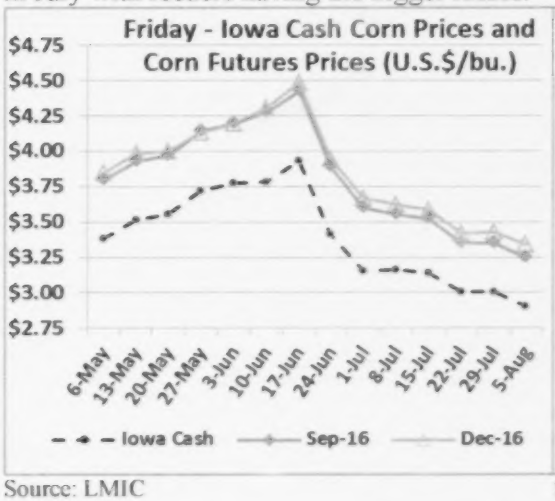
Futures Markets

United States lean hog futures daily prices were primarily lower over the week to end the week lower, week-over-week. The nearby August contract moved US$1.525 per cwt lower to settle Friday at US$67.450 per cwt, while the October contract declined US$0.750 per cwt to settle Friday at US$58.300 per cwt. Lean hog futures prices were

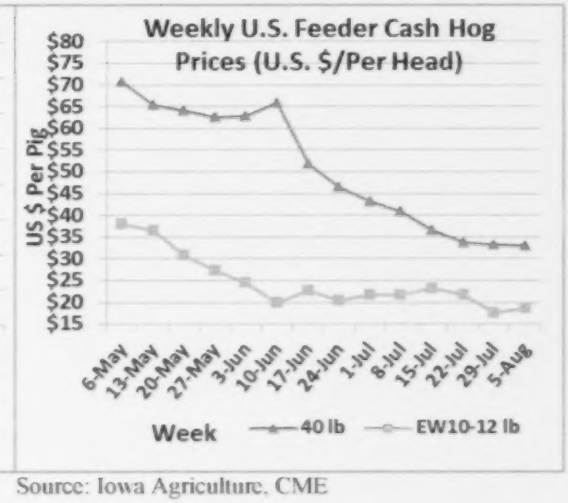
down significantly in July on expectation of higher and potential record hog supplies into the fall. The nearby August contract has declined by over US$16 per cwt since July 1.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed last week. Weighted average cash prices for iso-weans (12lb) last week were US$18.56 per head, up US0.89 per head from US$17.67 per head the previous week. Feeders (40lb) averaged US$32.80 per head, down $0.42 per head from US$33.22 per head, the previous week. Both iso-wean and feeder pig prices were lower in July with feeders having the bigger losses.



Source: LMIC



Source: Iowa Agriculture, CME

U.S. corn prices continued to edge lower last week on expectations of a very large and potentially record U.S. corn crop. Iowa cash corn prices declined ten cents last week to settle Friday at US$2.90 per bushel. U.S. daily corn futures prices were mixed over the week with bigger losses on Monday, resulting in lower prices, week-over-week. The September 2016 corn contract declined just over ten cents to settle Friday at US$3.24 ¼ per bushel, while the December 2016 corn contract declined over eight cents to settle Friday at US$3.34 ¼ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending August 6 were estimated at 2.193 million head, up 0.4 per cent from 2.184 million head the previous week, and up 3.2 per cent from 2.125 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks ending August 6 averaged 2.161 million head per week, up 2.6 per cent from 2.106 million head the same period a year ago. U.S. hog slaughter numbers were higher in July helping to push slaughter hog prices lower.

In Canada, federal and provincial hog slaughter numbers for the week ending July 30, 2016 were estimated at 397,099 head, down 2.0 per cent from 405,298 head the previous week, and down 1.4 per cent from 402,609 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 402,052 head, up 2.6 per cent from 391,913 head over the same period in 2015. Year-to-date for 2016 hogs slaughtered in Canada totaled 12,133,249 head, up 1.5 per cent from the same period in 2015.

Meat Production

U.S. pork production for the week ending August 6, 2016 was estimated at 458.2 million lb., up 0.4 per cent from 456.5 million lb. the previous week, and up 3.1 per cent from 444.6 million lb. the same week a year ago. Pork production over the last four week's ending August 6 was estimated to average 451.0 million lb., up 2.2 per cent from 441.2 million lb. over the same four week period a year ago.

U.S. beef production for the week ending August 6 was estimated at 474.0 million lb., steady from 474.1 million lb. the previous week, but up 6.8 per cent from 443.9 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending July 30, 2016, was estimated to average 1.978 billion lb., up 0.7 per cent from 1.964 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2016 is estimated to be up 2.7 per cent compared to the same period in 2015.

United States Weekly Meat Production

(July 30) Four Week Average - Million Lb.			Percent Change	
	2015	2016	4 Week	YTD 2016
Pork	439.5	432.1	-1.7%	0.2%
Beef	445.4	468.3	5.1%	4.9%
Chicken	958.3	954.1	-0.4%	2.7%
Turkey	120.6	123.8	2.6%	4.0%
Total	**1,963.8**	**1,978.2**	**0.73%**	**2.69%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending August 6, 2016 averaged US$77.97 per cwt, down 6.6 per cent or US$5.52 per cwt from US$83.49 per cwt the previous week, and down 12.3 per cent from US$88.96 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending August 6, 2016 averaged US$198.71 per cwt over the week, almost unchanged from US$198.79 per cwt the previous week, but down 15.4 per cent from US$234.84 per cwt the same week a year ago.

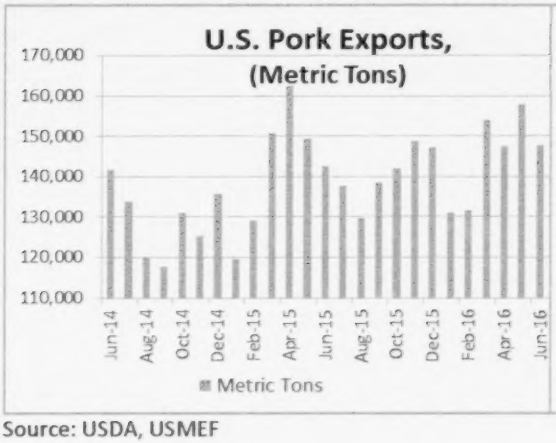
Average chicken cutout values (breast) for the week ending August 6, 2016 averaged US$132.85 per cwt, up 7.1 per cent from US$124.10 per cwt the previous week, and up 1.3 per cent from US$131.16 per cwt the same week a year ago.

United States Pork Exports

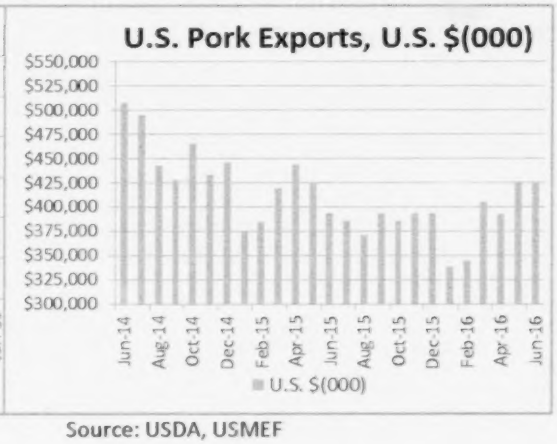
United States exported 147,662 metric tons of pork in June 2016, down 6.5 per cent from 157,937 metric tons in May 2016, but up 3.5 per cent from 142,656 metric tons from June 2015.

By dollar amount, U.S. pork exports in June 2016 were US$425.7 million, up 0.3 per cent from US$424.2 million in May 2016, and up 8.1 per cent from US$393.9 million a year

ago in June 2015. U.S. pork exports by volume for June 2016 versus 2015 were higher to Japan, Hong Kong/China, and Canada; but lower to Mexico and South Korea.



Source: USDA, USMEF



Source: USDA, USMEF

Meat In U.S. Cold Storage

USDA released the latest U.S. cold storage numbers on July 22, 2016. The United States' pork stocks in cold storage totaled 585.9 million lb. on June 30, 2016, down 7.7 per cent from 634.5 million lb. on June 30, 2015, and down 4.7 per cent from 614.5 million lb. on May 31, 2016.

The U.S. beef stocks in cold storage totaled 451.2 million lb. on June 30, 2016, down 4.9 per cent from 474.2 million lb. on June 30, 2015, but up 1.2 per cent from 446.1 million lb. on May 31, 2016.

Total pork, beef, chicken and turkey in cold storage on June 30, 2016 were at 2.357 billion lb., above the ten year average for June, but still below the maximum highs of 2.4 billion lb. in September 2015.

United States Stocks in Cold Storage (Frozen)

	1,000 Pounds		
Commodity	**30-Jun-2015**	**31-May-2016**	**30-Jun-2016**
Pork	634,525	614,457	585,884
Beef	474,274	446,083	451,233
Chicken	724,475	806,655	814,798
Turkey	462,020	454,147	504,967
Total Combined	**2,295,294**	**2,321,342**	**2,356,882**

Source: NASS

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